



Board of Livestock Meeting Minutes

May 12 & 13, 2009

DRAFT

Tuesday, May 12, 2009

Department of Livestock Conference Room 319

Board of Livestock Members

Present:

Stan Boone, cattle producer
Jan French, chair, cattle producer
Brett DeBruycker, cattle producer
Linda Nielsen, cattle producer
Ed Waldner, swine producer
Jeffrey Lewis, dairy producer
John Lehfeltdt, sheep producer

Staff:

George Edwards, administrative specialist, LLRMB
Marty Falstad, market compliance tech, Brands Enforcement
John Grainger, administrator, Brands Enforcement
George Harris, administrator, Centralized Services
Christian Mackay, executive officer
Mike Finnegan, Meat Inspection Bureau
Dr Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, recorder
Dr. Tahnee Szymanski, field veterinarian Animal Health Division
Dan Turcotte, chief, Milk and Egg Bureau
Dr Zaluski, state veterinarian/administrator Animal Health Division

Guests:

John Steuber, USDA Wildlife Services
Les Graham, Montana Livestock Auction Association, Montana Farm Bureau Federation
Aerial Overstreet, Montana Stockgrowers Association
Aeric Reiley, Montana Woolgrowers Association
Errol Rice, Montana Stockgrowers Association
John Youngberg, Montana Farm Bureau Federation
Paul Ringling, Montana Cattlemen Association
Marin Olson, Congressman Rehberg's Office
Carolyn Sime, Fish, Wildlife & Parks
Clyde Peterson, Assistant Attorney General, Department of Justice
Kraig Glazier, USDA Wildlife Services

Call to Order

1:05 p.m.

Board Communications:

Jan French

- things look good, one foot of snow a week ago
- lot of cattle around, grass not growing nearly fast enough

Linda Nielsen

- water ponds are full

- bulls averaged around \$2000 apiece at last week's sale
- first horse sale will be held next week

Stan Boone

- excellent shape in his area
- good rains, good snow throughout the winter, creeks are running, ponds are full
- could use a higher price

Ed Waldner

- still wet and cold in his area
- swine flu didn't help hog prices any

Jeffrey Lewis

- valley looks green and lovely
- dairy business is tough right now

John Lehfeltdt

- prices are holding, wool is down

Approval of Minutes:

Stan Boone moved to approve the minutes of the March meeting as presented. Linda Nielsen seconded. The motion carried unanimously.

Approval of Executive Officer Reports:

Stan Boone moved to approve the executive officer report as presented. Ed Waldner seconded. The motion carried unanimously.

Approval of Chairman Interim Authorizations and Activities:

There were no interim authorizations or activities.

Legislative Update

EXECUTIVE OFFICE, Christian Mackay

- 225 fewer bills introduced than 2007
- \$250 million left in the rainy day fund
- Legislature ended with a budget

Review of funding bills:

- HB2 - general appropriations

The good:

- department got funding for new brands and animal health programs
- funding for new firearms
- continue vehicle replacement
- ongoing brucellosis action plan funding

The bad:

- 7% vacancy savings for all agencies (up from 4%)
- 2% across the board reduction in general fund (meat inspection & diagnostic lab)
- no pay increases (but no furloughs, unpaid holidays, or layoffs either)
- HB3 supplemental funding
 - \$2.3 million for BAP (with \$1.1 million in HB2 2010 & 2011)
 - Senate amendments would have reduced funding to DOL by \$1.5 million and diverted \$875,000 to MSU Extension
 - Funding restored in Conference Committee

Bills affecting the department that passed:

- HB90 - revised laws to bring llamas into the Livestock Loss Program

- HB418 - horse slaughter bill
 - Governor did an amendatory veto
 - Legislature overrode the veto
 - bill went into law with out Governor's signature
 - down side - slaughter product must be USDA inspected and USDA does not allow for any of their funds to be used to inspect horses
 - HB655 - horse owner amnesty act
 - a horse owner who is not able to care for a horse will pay a surrender fee and sign the animal over to the Department of Livestock
 - department is responsible for adoption of surrendered horses
 - gives department authority to make rules to administer this law
 - SB104 - revise estray notification and disposition requirements
 - SB126 - implement lifetime rodeo bull transportation permit
 - SB 130 - repeal of never used livestock fee for transportation into the state
 - SB286 - revise milk control laws (pricing & pool issues)
 - two year sunset
 - SJ14 - study cooperative arrangements between state agriculture labs
- Bills affecting the department that did not pass
- HB253 – wild buffalo recovery and conservation act
 - died in house committee
 - HB482 – state assistance for economic damage caused by brucellosis
 - died in committee
 - HB548 – require inspection for dog breeding facilities
 - Senate Ag Committee killed it
 - HB592 – revise livestock identification law
 - that mandatory identification could not be placed regardless (animal disease issues, etc)
 - would have made Montana non-compliant with APHIS in the scrapie program
 - HB638 – appropriation for transition to new brand recording period
 - one tenth of brands re-recorded per year
 - passed in previous legislature then rescinded
 - killed then proposed a performance audit using \$50,000 of per capita fee
 - killed - if it ain't broke don't fix it
 - HB664-study revision of milk laws
 - killed
 - SB167 – increase penalties for equine abandonment-
 - died in House
 - SB 337 – would not have allowed translocation of quarantine bison
 - died in committee

Division Reports

MILK & EGG, Dan Turcotte

- a. Overview of Milk & Egg Bureau Responsibilities

Recess: 2:15 p.m.

Reconvene: 2:30 p.m.

BRANDS ENFORCEMENT, John Grainger

- a. Overview of Brands Enforcement Division Responsibilities
- b. Market Overview by Marty Falstad

Christian Mackay explained that today is Mr. Falstad's last day with the department. After 13 years of service he has taken a position in Yakima, Washington with Packers and Stockyards. He was secretary of the Montana Livestock Inspector Association since 2002. Mr. Mackay presented a gift of appreciation from the MLIA (two tickets to the Seattle Seahawk/Detroit Lions football game) to Marty.

Mr. Mackay stated the position is important to the department. Marty's shoes will be hard to fill. Recommend the department fill the Market Auditor position.

c. Request for Out-of-State Travel

- the next International Livestock Investigators Association meeting is in Park City, UT
- Christian Mackay, John Grainger and two others generally attend
- driving down could save approximately \$550 which would allow two more employees to attend (as opposed to flying)
- important and informative meeting where all western states and Alberta meet to discuss brand recording, brand state working group, animal health, animal id

Stan Boone moved to authorize travel to the ILIA meeting as presented. Linda Nielsen seconded. The motion carried unanimously.

MEAT INSPECTION, Mike Finnegan

- a. Overview of Meat Inspection Bureau Responsibilities
- b. ARM rule change for the adoption of FSIS rule (CFR 309)
 - keeps meat inspection's "equal to" status
 - refers to the federal rule on "downer cows"

Brett DeBruycker moved to authorize filing of the proposed rule amendment 32-9-196 as presented. Ed Waldner seconded. The motion carried unanimously.

Guest Speaker

LEGAL UPDATES, Clyde Peterson, Assistant Attorney General, Department of Justice

Updates on three outstanding issues:

1. Country Classic vs. Board of Milk Control
 - settled
 - might involve some rule making later on
2. Core Mark 12 day pull date
 - decided on a hearing with all parties agreeing to participate
 - John Sullivan, Helena, has agreed to hear the matter
 - following the scheduled July hearing, Mr. Sullivan will make recommendations to the Board of Livestock
 - board can reject the recommendation then Core Mark can request litigation
 - if the board accepts the recommendations the department has to do rule making on those recommendations
3. Sitz Angus case
 - Judge Tucker, Madison County, agreed with the Department of Livestock request for a change of venue (to Bozeman)
 - file has been sent to Gallatin County
 - waiting for decision which judge will hear the case
 - the department has filed a motion to dismiss
 - Gallatin County judge will make a decision on that motion

USDA WILDLIFE SERVICES, John Steuber

Gave a brief overview of the cooperative program under which Wildlife Services works with the department and other participants.

Funding

- 70% federally funded
- balance funded through Department of Livestock, Fish, Wildlife & Parks, and cattle and sheep producers

Staffing and equipment

- 20 wildlife specialists in the field (government trappers)
- 2 DOL helicopters, 1 USDA helicopter
- agency owned piper cub and 3 contract airplanes for arial hunting

Wildlife Services programs include

- Coyotes (main predator)
- Wolf Damage management program
- Grizzly Bear depredation & management
- Black Bear damage
- Mountain Lion damage
- Avian Influenza Surveillance
- Disease Surveillance (plague, tularemia, etc)
- Work at airports to reduce/prevent damage from wildlife

Producer Organization Updates:

MONTANA WOOLGROWERS ASSOCIATION, Aeris Reilly

- in Washington D.C. a couple of weeks ago working on agriculture issues
 - eliminated herder requirement for mandatory six month return home after three years in the U.S.
 - Big Horn Sheep disease resolution
 - USDA –farm bill & implementation of disaster programs – livestock indemnity
 - Funding for Wool Lab at MSU – wool lab tech – research at wool lab
 - Tri state fund \$980,000 split between the three states – requesting \$3 million

MONTANA STOCKGROWERS ASSOCIATION, Errol Rice

- invited all to the annual meeting in Miles City
- two days of celebration the history and vitality of the livestock industry

MONTANA ASSOCIATION OF LIVESTOCK AUCTIONS, Les Graham

- meeting date not yet set
- will be in Big Timber or Lewistown
- board and department staff invited to attend

MONTANA FARM BUREAU FEDERATION, Les Graham

- is under contract to MFBF as advisor on livestock issues
- regarding the 12 Day Date Rule wants Farm Bureau to issue a comment supporting board action on this rule

MONTANA CATTLEMEN ASSOCIATION, Paul Ringling

- toured several counties Custer, Powder River, Carter to view the extensive storm/flood damage
- flooding over a mile wide with big impact on the fences
- sheep ranches sold their surviving stock because could not contain them with no fences

Open Microphone:

Producer and guest opportunity to speak

Adjournment

4:00 p.m.

Wednesday, May 13, 2009

Department of Livestock Conference Room 319

Board of Livestock Members

Present:

Stan Boone, cattle producer
Jan French, chair, cattle producer
Brett DeBruycker, cattle producer
Linda Nielsen, vice-chair, cattle producer
Jeffrey Lewis, dairy producer
John Lehfeltdt, sheep producer

Absent:

Ed Waldner, pork producer

Staff:

Marty Clark, assistant administrator, Brands Enforcement
Amy Dault, Animal Health
George Edwards, administrative specialist, LLRMP
John Grainger, administrator, Brands Enforcement
George Harris, administrator, Centralized Services
Dr Bill Layton, Diagnostic Lab
Christian Mackay, executive officer
Monte Nick, chief, Milk Control Bureau
Dr Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, recorder
Dr. Tahnee Szymanski, field veterinarian Animal Health Division
Dan Turcotte, chief, Milk and Egg Bureau
Dr Zaluski, state veterinarian/administrator, Animal Health Division

Guests:

Daryn Cederberg, Beaverhead Livestock
Randy Curtis, Headwaters Livestock
Ryan Clarke, USDA APHIS Gary French, Headwaters Livestock
Maureen Davey, Stillwater County
Kelly French
Gary French, Headwaters Livestock
Les Graham, Montana Livestock Auction Association, Montana Farm Bureau Federation
Quentin Kujala, Fish, Wildlife & Parks
Tom Linfield, contractor DOL
Maren Olsen, Congressman Rehberg's Office
Aerial Overstreet, Montana Stockgrowers Association
Aeric Reilly, Montana Woolgrowers Association
Chris Renfree, Beaverhead Livestock
Paul Ringling, Montana Cattlemens Association
John Steuber, USDA Wildlife Services
Matt Euland, Montana Livestock Auction, Ramsay

Called to order 8:00 am

Division Reports

Animal Health, Dr. Marty Zaluski

- a. Overview of Animal Health Division Responsibilities
- b. Brucellosis Action Plan
 - board previously approved the plan and have been waiting for funding
 - Legislature provided funding
 - Official Order 09-01-D requires Board authorization to carry out the plan
 - notification letter to all cattle producers regarding possibility of necessity of testing; and about 300 posters distributed with emphasis on the seven county area
 - requested board approval of draft order
 - Personnel update regarding the BAP
 - Dr. Tom Linfield has accepted job as AVIC for USDA – will continue his close relationship with the department
 - 3 positions designated in the plan
 1. Amy Dault promoted to compliance person
 2. temporary vet position hired
 3. permanent vet position offered

Maureen Davie, Stillwater County Commissioner, presented a letter concerning the Brucellosis Action Plan as it relates to Area 1 counties of Carbon, Stillwater, Sweet Grass, Park, Gallatin, Madison, and Beaverhead.

Linda Nielsen moved to approve Official Order 09-01-D as presented. Jeffery Lewis seconded. The motion carried unanimously.

- c. Brucellosis program review
 - extensive review conducted by USDA several weeks ago
 - received an excellent review
 - only one requirement-change the protocol for milk testing in the lab
 - has been remedied
- d. Contagious Equine Meritis
 - 843 horses being investigated in 48 states
 - one contact mare in Montana was cultured and tested negative
 - two stallions now being investigated in Montana
- e. Equine Viral Arteritis (EVA)
 - 2007 an official order was passed requiring testing of stallions for EVA
 - Only Utah and New Mexico have this test requirement now
 - request authority to rescind the referenced official order and replace with a new order setting conditions where testing might be required

Brett DeBruycker moved to rescind the official order and replace with the proposed new order Jeff Lewis seconded. The motion carried unanimously.

- f. Trichomoniasis Administrative Rule Rewrite
 - Dr Rankin presented a draft of the proposed rule changes with explanation of why each change is needed
 - town hall meetings are set up for producer input
 - will change the draft as indicated through comments
 - current draft contains input from various producer organizations (MSGA, MCA, MFBF)
 - an amended draft will be presented at the July meeting for board approval or denial

Les Graham commended the Department of Livestock staff on the excellence of the brucellosis review.

- g. Out of State Travel Request
 1. Dr. Szymanski to attend NAIS listening session in Pasco, Washington

- expenses paid through NAIS funding
- 2. Christian Mackay and Dr. Zaluski to Idaho for discussion on the National Brucellosis Elimination Zone (NBEZ)
- 3. Dr. Zaluski to attend the North Dakota Board of Health to present the Brucellosis Action Plan

Linda Nielsen moved to authorize out of state travel for Animal Health as requested. Stan Boone seconded. The motion carried unanimously.

- h. Official Calfhod Vaccination (OCV)
 - Idaho & Wyoming have mandatory calfhod vaccination requirements plus additional contingencies
 - request direction from the board on mandatory OCV
 - concerns voiced included
 - veterinarians not able to complete the work in their areas
 - additional costs incurred
 - comments
 - Dr. Linfield - OCV received support overwhelmingly in the seven county area
 - Stan Boone – everyone should be doing it-OCV on breeding animals
 - it is federal disease program with cooperation from the states
 - possible use of cooperating funds for DOL to hire a vet for vaccinating in areas where no vet is available (on contract)
 - Dr. Zaluski said Montana could be subject to scrutiny by other states if do not OCV when Idaho and Wyoming do - could be viewed in a negative context regarding marketability

The board is split on this issue but charged Dr. Zaluski to go forward with a draft order for them to consider at the next meeting.

Recess: 10:45 a.m.

Reconvene: 11:00 a.m.

DIAGNOSTIC LAB, Dr. Bill Layton

- a. Overview of Diagnostic Lab Division
- b. Summer Schedule
 - July BOL meeting 20 & 21 in Bozeman at the Holiday Inn

CENTRALIZED SERVICES, George Harris

- a. Overview of Centralized Service Division Responsibilities
- b. The Budgeting Process
 - overview provided in booklet
- c. Legislative Fiscal Update
 - called for 7% vacancy savings in all agencies
 - approximately \$700,000 for the department
 - plus a 2% cut from general fund
- d. Budget Status and State Special Revenue
 - review documents provided
 - Predator Control and the five county agreements
 - explained the funding and basis for the five county allocation from per capita fees
 - 11% for the five counties allocated equals \$26,442

John Lehfeldt moved to approve \$26,442 allocation as proposed. Brett DeBruycker seconded. The motion carried unanimously.

- e. Livestock Loss Reduction Mitigation Board Update, George Edwards
 - reviewed the program, amounts paid out, and amount in the budget

- f. Milk Control Bureau Update, Monte Nick
 - production down but on average up from 2007 & 2008
 - provided a recap of milk utilization
 - June 22 meeting
- g. Information Technology Update
 - Legislature provided funding for brands and animal health program systems updates
 - in the process of writing specifications for bids
 - request board approval to hire a contractor to write the specifications for these systems to submit for bids.

Brett DeBruycker moved to authorize up to \$10,000 to hire a contractor to prepare the specifications for the animal health and brands system update packages. Jeff Lewis seconded. The motion carried unanimously.

Additional Items

LEGAL STRATEGY, John Grainger

- just received an email from Clyde Peterson regarding a case in Carbon County where a bull was stolen and rebranded for sale
- two people were charged (one was a licensed dealer through the DOL)
- a pre-trial diversion agreement was signed with the Carbon County Attorney on March 4, 2009 wherein no new violation prior to September 2009 and the charge is dropped
- DOL did not renew the dealer license pending trial outcome
- defendant's attorney protested lack of due process
- Mr. Peterson said the defendant is entitled to a hearing before the board or their appointed representative because of "revoking" by denying renewal
- recommended the hearing should be granted as soon as possible

Stan Boone moved that a hearing be held with Christian Mackay as the hearing examiner for this issue. Jeff Lewis seconded. The motion carried with Brett DeBruycker voting no.

UPDATE ON MONTANA LIVESTOCK AUCTION/FORMER OWNER ISSUE, Christian Mackay

- Kenny Moe violated trust account rules and the market was subsequently taken back by the Euland family (sold market to Moe) who then paid all outstanding checks
- Mr. Moe was fined by the department for violations
- the department and Montana Beef Council are short inspection and beef council fees in the amount of \$28,000
- a meeting is scheduled with the Silver Bow County Attorney to try to resolve the issue and insure payment to both Beef Council and the department

EVA Order

- Dr. Zaluski stated the EVA Order effective date was changed to Monday, May 18, 2009

OUT-OF-STATE/COUNTRY TRAVEL

1. The board previously approved out of country travel for Christian, Dr. Zaluski, and Ernie McCaffrey to Canada
 - were unable to go on the approved date
 - planning to go in late June or July as their schedule's permit
2. Trip to Russia
 - there is an opportunity through the Department of Agriculture for Christian and possibly a board member to go
 - Russia specifically wants Montana genetics
 - the delegation is on the department's dime

- costs expected to be about \$4000 to \$5000 per person
- could be an opportunity to open up new markets

STOCKGROWERS INVITATION

- Dr. Zaluski has been invited to the Stockgrowers Meeting in June to discuss the BAP
- he will be out of state
- Christian Mackay will replace him as speaker at the board's request

BISON HAZING OPERATIONS

- have been ongoing for two weeks
- pushed them deep in park to make room for what is coming off today
- should have everything out of Montana tomorrow and Friday
- and move them deeper into the park
- about 150 head out now
- pretty much stayed on the Horse Butte peninsula until this spring

OPEN MICROPHONE

Opportunity for the public to speak

SET NEXT MEETING DATE

JULY 20 & 21, 2009
HOLIDAY INN, BOZEMAN, MT

Adjournment 12:50 p.m.

JAN FRENCH, CHAIRMAN
BOARD OF LIVESTOCK